

Preliminary Ideas for CEQA Improvement
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1. Focus CEQA on planning, not projects

CEQA would appear to be most useful, in terms of fulfilling its original intent, if focused more on broad scale planning and less on individual development projects. Meaningful consideration of, and ability to mitigate, cumulative impacts are greater when general plans are being drafted and major infrastructure is being planned, than when a substantial investment has been made in site-specific development projects. Broader, earlier, more thorough CEQA review should also help avoid litigation over specific projects, which seems to be symptomatic of the failure of the current planning system to examine alternatives and mitigation broadly and early enough, and to provide certainty to affected communities. To the extent possible, planning should be done regionally by counties and all the cities within them, with LAFCO coordination and oversight. Even broader, inter-county planning should also be encouraged.

2. Set performance standards for better local planning and implementation

The state should set smart growth performance standards for local planning as benchmarks for CEQA review thereof. AB 857 provides a good starting point for such standards. At a minimum, standards should address:

a. Urban infill – Local jurisdictions should have to plan to rely on available infill sites to meet a certain threshold percentage of their projected 20-year housing needs.

b. Efficiency – Local jurisdictions should have to plan to achieve a certain average density for new residential and commercial development (as well as public facilities and infrastructure). Residential should be pegged to per capita land consumption*; commercial, perhaps, to per-job land consumption. It is critical to include commercial, so as not to unfairly burden the housing sector. Trading of “density credits” among developers could help match market demands in various sectors to the overall benchmark. Thus, the developer of an especially efficient housing project could earn credits that could be sold to the developer of a less efficient commercial project, e.g., big box retailer. Purchase of credits could be *in lieu* of mitigation fees, since they would achieve the same effect.

c. Linkage of Jobs and Housing – Local jurisdictions should have to plan both residential and commercial development so that a minimum percentage of the population and jobs are linked by practical transportation options that are

* For example, in the Central Valley, there are now only 7.3 people per developed acre (not including rural ranchettes). A meaningful efficiency standard would cause this to be significantly increased over time to minimize farmland conversion.

competitive with the private automobile. Vehicles miles generated by new development may be a good way to measure performance in this regard.

d. Resource Conservation – Local plans should have to identify important lands outside designated growth areas, including prime and important agricultural lands and critical habitat, as a conservation area within which development will be discouraged and minimized. It is particularly important to avoid “ranchettes” and to mitigate their impact on rural resources. Natural Community Conservation Planning (NCCP) may provide a suitable model for a broader approach to planning for agriculture’s needs. Mitigation fees (below) should be dedicated, in part, to acquisition of easements and fee interests in conservation lands, offering landowners a compensatory alternative to development.

Specific parameters will need to be set for each of these performance standards. They should be flexible to allow for differences in local geography and demography, and to allow localities to innovate while still holding them accountable for genuine progress.

Local jurisdictions should periodically have to demonstrate that the development that is occurring is actually meeting the performance standards, lest their plans be disqualified

3. Provide incentives to localities that meet performance standards

The state should provide incentives for local jurisdictions to meet these performance standards. These should include:

- a. Up-front state funding for general, specific and redevelopment planning aimed at meeting performance standards.
- b. Preference for state funding of infrastructure that supports growth and development, including but not limited to roads and other transportation, water and wastewater facilities and, if possible, school construction, should be given to local jurisdictions whose plans meet the performance standards.
- c. CEQA review of individual development projects should be limited, if they are consistent with a plan that meets the performance standards. Until local plans are adopted, only infill and development projects that meet the minimum efficiency standards, and that are not located on important agricultural land or critical habitat, should escape full CEQA review.

4. Link project mitigation requirements to performance and plan consistency

CEQA should provide for graduated mitigation fees (or comparable land dedications), based on the relative impact of development projects as measured by their size and the performance standards. The basic idea is that, to the extent projects meet performance standards, they will have less significant impacts and, thus, need less mitigation. Localities should have flexibility to establish their own fees as long as they are appropriately graduated to provide developers a true

incentive to meet performance standards or mitigate impacts. The table on the next page lays out a fee schedule framework.. The entire fee structure could be adjusted downward, if and when a local jurisdiction adopts a plan meeting the performance standards. This may give developers an incentive to support local planning.

Mitigation fees should be dedicated to achieving the performance goals by investing them in land conservation, affordable housing, transit, etc.

Possible Framework for Project Mitigation Fees

Fees	Location	Efficiency	Linkage	Resources
Lower	Urban infill	Higher-density (e.g., >10 DU/ac)	Multiple non-auto transit options/low VMT	Not located on prime or important agricultural land or critical habitat
Higher	Contiguous to urban areas	Medium-density (e.g., 4-10 DU/ac)	Single non-auto transit option	Located on or significantly impacting these lands
	Not contiguous	Low density (e.g., < 4 DU/as)	No non-auto options/high VMT	